

LIFE INSURANCE

WSRC & BSRI



INTRODUCTION

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Your WSRC/BSRI life insurance benefits are designed to help protect you and your family in the event of a death. In addition, in the event you are totally and permanently disabled according to the Disability Income Plan, you may be eligible to collect a portion of your Non-Contributory Life Insurance benefit.

Life Insurance Benefits at a Glance

Plan	When Eligible	Who Pays	Key Plan Provision
Non-Contributory Life Insurance	First day of employment	WSRC/BSRI	<ul style="list-style-type: none">Provides benefits equal to one times your Normal Annual EarningsIncludes an additional benefit, Occupational Accidental Death Insurance, of three times your Normal Annual Earnings if your death is job relatedCan name anyone as your beneficiary
Contributory Life Insurance	First day of employment Coverage begins first of month following enrollment	You	<ul style="list-style-type: none">Able to purchase additional life insurance of one, two, or three times your Normal Annual EarningsRequires evidence of insurability to increase coverage after 60 days of employmentCan name anyone as your beneficiary
Dependent Life Insurance	First day of employment Coverage begins first of month following enrollment	You	<ul style="list-style-type: none">Able to purchase life insurance for your dependentsChoice of two different coverage levelsRequires evidence of insurability to increase coverage after 60 days of employmentYou are the named beneficiary
Accidental Death & Dismemberment (AD&D) Insurance	First day of employment Coverage begins first of month following enrollment	You	<ul style="list-style-type: none">Provides additional insurance coverage if death or permanent loss occurs within 90 days of an accidentAble to purchase coverage between \$10,000 and \$250,000 in \$10,000 increments to a maximum of five times Normal Annual Earnings or \$250,000, whichever is smaller for employee, \$100,000/\$20,000 for dependentsCan provide coverage for you and/or your dependents

This book provides the details of your life insurance plans. Read it carefully and refer to it whenever you have a question about your life insurance coverage.

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How The Plans Work Overall

WSRC/BSRI-Provided Benefits

WSRC/BSRI provides **Non-Contributory Life Insurance** at no cost to you. It is WSRC/BSRI's way of helping to provide for your dependents in the event of your death. If you die from any cause, this plan pays a benefit of one times your Normal Annual Earnings to your beneficiary(ies).

WSRC/BSRI also provides **Non-Contributory Occupational Accidental Death Insurance** coverage for you.

Optional Contributory Benefits

There are several optional contributory benefits which may be purchased by you:

- Contributory Life Insurance,
- Dependent Life Insurance, and
- Accidental Death and Dismemberment (AD&D) Insurance.

You may purchase **Contributory Life Insurance** if you wish to provide your dependents with greater financial protection than the WSRC/BSRI-provided Non-Contributory Life Insurance.

You may also purchase **Dependent Life Insurance**. Under this coverage, benefits are paid to you if one of your eligible dependents dies.

You have two options under **Accidental Death and Dismemberment Insurance**. You can purchase coverage for yourself, with benefits payable to your designated beneficiary. You can also purchase coverage for your dependents, with benefits payable to you.

Imputed Income

The IRS limits the amount of life insurance coverage that can be provided to an employee tax free. Any premium WSRC/BSRI pays for you over that limit is considered Imputed Income — in other words, additional taxable income. For more information on Imputed Income, refer to the Non-Contributory and Contributory Life Insurance sections of this book.

Summary

This book is divided into four sections that explain each life insurance coverage in detail. Please read each section carefully. If you have any questions contact Benefits Administration.

Non-Contributory Life Insurance

How the Plan Works

Your Non-Contributory Life and Occupational Accidental Death Insurance benefit is WSRC/BSRI's way to help you care for your dependents after you're deceased. Remember, if you decide you want more insurance protection than the benefit provided by WSRC/BSRI, you may elect to participate in the Contributory Life Insurance Plan.

Benefit Amounts

Your Non-Contributory Life Insurance benefit amount is equal to **one times your Normal Annual Earnings**, rounded to the next highest multiple of \$500. For example, if your Normal Annual Earnings are \$22,049, your beneficiary would receive \$22,500 in the event of your death. Your Normal Annual Earnings do not include occasional overtime or temporary variations from normal working hours, awards under incentive or special compensation plans, Choice Credits, or payments for relocation or severance.

Your Occupational Accidental Death Insurance provides you with an additional insurance amount of **three times your Normal Annual Earnings**, rounded to the next highest multiple of \$500. Your death must be within 90 days and as a direct result of a job-related accident in order for your beneficiary(ies) to receive the Occupational Accidental Death Insurance benefit.

Occupational Accidental Death Insurance benefits will not be paid if your accidental death occurred during normal commuting between your home and work location or by:

- Infection, disease or illness of any kind (other than an infection from a job-related accidental wound),
- Self-inflicted injury,
- War or act of war in which the United States is a participant at the time of the injury, or
- Participating in a felony.

You must have been eligible for Workers' Compensation benefits, as determined by Workers' Compensation law for your beneficiary(ies) to be eligible to receive the Occupational Accidental Death benefit.

Participating in Non-Contributory Life Insurance

Eligibility

If you are a *full service employee* of WSRC/BSRI you are eligible for Non-Contributory Life Insurance and Occupational Accidental Death Insurance coverage on your first day of employment, provided you are actively at work on that day. Otherwise, your Non-Contributory Life Insurance and Occupational Accidental Death Insurance coverage will be effective on the first day of active service with WSRC/BSRI.

If you are a *limited service employee* of WSRC/BSRI, you are eligible for Occupational Accidental Death Insurance Coverage on your first day of employment, provided you are actively at work on that date. Otherwise your Occupational Accidental Death Insurance coverage will be effective on your first day of active service with WSRC/BSRI. You are not eligible for Non-Contributory Life Insurance.

DuPont retirees are not eligible to participate in the Non-Contributory Life Insurance Plan.

Former DuPont employees receiving Extended Benefits Coverage are not eligible for Non-Contributory Life Insurance coverage until their DuPont coverage has ended.

Enrolling for Coverage

Your coverage under the Non-Contributory Life Insurance or Occupational Accidental Death Insurance Plan is automatic. You do not have to complete any enrollment forms for coverage to take effect.

Naming a Beneficiary

On your first day of employment, you will be asked to complete a *Group Life Insurance Beneficiary Designation Form*. This form designates a person or persons who will receive the value of your life insurance from the plan — one times your Normal Annual Earnings. The person(s) you name is called your beneficiary(ies).

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You may designate a primary and/or secondary beneficiary(ies). If you designate both primary and secondary beneficiaries, the order of payment at your death will be:

- The value of your life insurance will be divided among your **primary beneficiaries** based on the specified percentage of benefits.
- If no primary beneficiary is living at the time of your death, the value of your life insurance will be divided among your **secondary beneficiaries** based on the specified percentage of benefits.

Your beneficiary can be anyone — your spouse, children, relative, friend, trust, charity or school. If you are naming more than one person you must use the word “and” to establish direct ownership. However, if you do not name a beneficiary(ies) or your beneficiary(ies) dies before you, payment will be made to your estate.

You may change your beneficiary(ies) at anytime by completing a new *Group Life Insurance Beneficiary Designation Form*. The change will be effective on the date the form is received by WSRC/BSRI. Your beneficiary(ies) does not have to approve or authorize the change.

When Coverage Ends

Your eligibility for Non-Contributory Life Insurance coverage ends on the day you terminate your employment with WSRC/BSRI for any reason other than retirement, layoff or disability. Your eligibility for Occupational Accidental Death Insurance ends on the day you terminate your employment with WSRC/BSRI.

Your Cost for Coverage

WSRC/BSRI pays the full cost of Non-Contributory Life Insurance and Occupational Accidental Death Insurance. You contribute nothing towards the cost of coverage.

Imputed Income

Under IRS rules, the cost of coverage provided by WSRC/BSRI for any portion of your Non-Contributory Life Insurance in excess of \$50,000 must be reported to the IRS as ordinary income along with your other wages for the year. This Imputed Income will be taxed at your regular income tax rate. If your base pay is over \$50,000, you will be informed of the amount that will be included on your W-2 as Imputed Income.

Imputed income is calculated monthly. The additional amount reported as Imputed Income and included in your income for the year is based on the amount of life insurance coverage you have that is over \$50,000.

How Benefits Are Paid

You can choose how your beneficiary or beneficiaries will receive their life insurance benefits from the Non-Contributory Life Insurance Plan. When you complete the *Group Life Insurance Beneficiary Designation Form*, you must check a box indicating the “mode of settlement.” You can choose from one of the following payment options:

- Lump sum payment,
- Monthly installments — you decide how many, but the number of installments must be six or more, or
- Another method of your choosing, if approved by WSRC/BSRI Benefits Administration.

If you elect a lump sum payment for your beneficiary, he or she will have the option to have life insurance benefits paid in installments. If you have more than one beneficiary, each beneficiary has the option to choose their own payment method. If you elect an installment settlement for your beneficiary, that election cannot be changed after your death, unless your beneficiary can prove a case of extreme financial hardship.

You choose how your beneficiary will be paid — in a lump sum or installments. However, your beneficiary can change your election and receive the benefit in installments if you originally chose the lump sum payment method.

If your beneficiary is a minor or in CIGNA's opinion is not legally able to accept payments, any payments due will be made to their legal guardian. However, if no payment request is made by a legal guardian, CIGNA may make payments to the person or institution appearing to have custody and support of your beneficiary. In either case, payment will be made in monthly installments of no more than \$500, and the legal guardian, person or institution will be required to show proof that the payments are being held for the sole use of your beneficiary.

Non-Contributory Occupational Accidental Death benefits are automatically paid to your beneficiary(ies) in a lump sum. Installment payments are not available for Non-Contributory Occupational Accidental Death benefits.

Changes In Coverage

Changes in Your Pay

As your pay increases, the value of your Non-Contributory Life Insurance and Occupational Accidental Death Insurance will increase, since your benefit amount is determined by your Normal Annual Earnings.

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Likewise, if you experience a decrease in pay, the value of your life insurance benefit will decrease at the same time.

Any change in the value of your Non-Contributory Life Insurance and Occupational Accidental Death Insurance due to a change in your Normal Annual Earnings will take place on the first day of the month following the month in which your Normal Annual Earnings changed. If you are not actively at work on that day, the change in the value of your Non-Contributory Life Insurance and Occupational Accidental Death Insurance will be effective after you have returned to active service for one day.

When You Reach Age 65

Once you reach age 65, your Non-Contributory Life Insurance benefit will be periodically reduced whether or not you are an active employee. The reduction is calculated so that when you reach age 75, your benefit will equal one-quarter (1/4) of the amount of your Normal Annual Earnings if you are still an active employee or the amount of your Normal Annual Earnings at the time of retirement if you are a retiree.

The reduction process starts on the first day of the month following your 65th birthday and continues for a total of eleven annual reduction installments.

Your post-age 65 insurance amount will always be a multiple of \$100. Therefore, when the annual reduction is calculated and the value of your life insurance benefit is not a multiple of \$100, your Non-Contributory Life Insurance amount will be rounded up to the next higher \$100 multiple.

If you remain at work after age 65, your benefit amount and the reduction process will reflect any pay changes you experience.

Coverage Continuation in Special Situations

If you retire on or before age 65, your Non-Contributory Life Insurance benefit will continue for your lifetime. Starting on the first day of the month following your 65th birthday, your benefit will be reduced (see “Changes In Coverage” above).

If you are laid off, and you have completed between one and six years of Eligibility Service as of the date of your layoff, your Non-Contributory Life Insurance coverage will continue for one year. If you have seven or more years of Eligibility Service when you are laid off, your coverage will continue for two months for every year of Eligibility Service you earned with WSRC/BSRI, Westinghouse Electric Corporation, Bechtel Group Inc. or an affiliated entity of one of these corporations. When you return to work, your coverage will automatically be restored.

**Your
Non-Contributory
Life Insurance
Coverage will never
be less than
\$2,500.**

WSRC/BSRI pays the entire cost of the extended life insurance coverage.

If you become temporarily disabled, your Non-Contributory Life Insurance coverage will continue. If you experience a Total and Permanent Disability, your Non-Contributory Life Insurance benefits will continue if:

- You qualify for benefits under the Disability Income Plan, and/or
- You are receiving an Incapability Pension under the Pension Plan.

Non-Contributory Life Insurance Disability Benefit

While you are not working due to a Total and Permanent Disability, you may be eligible to receive a current cash payment of a portion of your Non-Contributory Life Insurance. To qualify for the Non-Contributory Life Insurance Disability Benefit, you must:

- Have at least one year of Eligibility Service, and
- Be determined (by CIGNA) to be permanently incapable of doing your own job.

The amount you can receive is based on your years of Eligibility Service.

Your years of Eligibility Service:	You receive:
1 year but less than 2 years...	\$1,000
2 but less than 3 years...	\$1,500
3 but less than 4 years...	\$2,000
4 but less than 5 years...	\$2,500
5 years or more...	\$3,000

Your benefit will be paid as a lump sum after you qualify. If you wish, you may make other payment arrangements through Benefits Administration and/or CIGNA.

If you recover and return to work, the entire benefit amount of your Non-Contributory Life Insurance will be restored if you can provide proof of good health to CIGNA. If you can't show proof of good health, you will still have Non-Contributory Life Insurance coverage, but your benefit will be an amount equal to your Normal Annual Earnings, less any amounts you received in cash during your Total and Permanent Disability.

If you die while receiving a Total and Permanent Disability benefit, your beneficiary will receive the value of your Non-Contributory Life Insurance, taking into account any age reductions, minus any amount you received in cash as a Non-Contributory Life Insurance Disability benefit from this plan.

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If you are granted an unpaid leave of absence, your Non-Contributory Life Insurance coverage will continue and coverage will remain the same as if you were an active employee. Refer to the Work/Life Benefits book for more information on continuing your Non-Contributory Life Insurance coverage during a leave of absence.

If you terminate your employment, for any reasons other than retirement, lay-off, disability, or leave of absence, your Non-Contributory Life Insurance and Occupational Accidental Death Insurance coverage ends on your last day you are actively at work.

Conversion

If your Non-Contributory Life Insurance coverage terminates or is reduced, for any reason, you may be eligible to convert your coverage to an individual policy. The amount of the Life Insurance that you are entitled to convert is normally the amount of group life insurance you lose, but sometimes it may be less. It will not, however, be more than the smaller of: \$10,000 or the amount of coverage that was terminated or reduced, minus any group insurance amount you become eligible for in the 31 days following the termination or reduction of the WSRC/BSRI Non-Contributory Life Insurance coverage.

Application for the individual policy must be made to the Connecticut General Life Insurance Company (a CIGNA company) within 31 days from the date your Non-Contributory Life Insurance coverage was terminated or reduced. Your first premium payment must be made during the 31-day period. The cost of coverage depends on your age and the type of coverage you elect. CIGNA may limit the policy options from which you can choose and will not include term insurance or disability benefits. Your converted life policy will take effect on the 32nd day after your coverage is terminated or reduced.

If you die during the 31-day period, CIGNA will pay the amount you could have converted to your beneficiary(ies), whether or not you applied for an individual policy or paid your first premium.

For more information, contact CIGNA's Customer Service Unit at 516-854-3278.

Contributory Life Insurance

How the Plan Works

WSRC/BSRI provides **Non-Contributory Life Insurance** to help protect you and your family from loss of income in the event of your death.

But you may want additional insurance protection for your family. The purpose of **Contributory Life Insurance** is to give you an opportunity to add to the WSRC/BSRI provided coverage. Through Contributory Life Insurance, you can purchase additional levels of coverage at group rates.

Benefit Amount

You may purchase **coverage of one, two, or three times your Normal Annual Earnings**. This amount is in addition to the Non-Contributory Life Insurance coverage provided by WSRC/BSRI.

If the amount of coverage you elect is not an even multiple of \$500, your benefit will be rounded up to the next higher multiple of \$500. For example, let's say your Normal Annual Earnings are \$22,049 and you elect coverage of two times your Normal Annual Earnings. Two times your Normal Annual Earnings would provide coverage of \$44,098, so your beneficiary would receive \$44,500 in the event of your death.

Participating in Contributory Life Insurance

Eligibility

If you are a full service employee of WSRC/BSRI you are eligible to enroll in Contributory Life Insurance coverage on your first day of employment.

You may have to provide evidence of good health to be eligible for Contributory Life Insurance coverage.

DuPont retirees are not eligible to participate in the Contributory Life Insurance Plan.

Former DuPont employees receiving Extended Benefits Coverage are not eligible for Contributory Life Insurance coverage until their DuPont coverage has ended.

Enrolling for Coverage

Participation in this coverage is voluntary. On your first day of employment you will be asked to complete a *Group Life Insurance Application and Deduction Authorization Form*. If you return the form within 60 days, your coverage will begin on the first day of the month following the month you submitted the form to Benefits Administration. **Even if you return your form on the first day of the month, your coverage will not begin until the first day of the following month.**

You must be actively at work for your coverage to become effective. If you are not at work when your coverage should have been effective, it will become effective the day you return to work.

If you enroll after the 60-day period, you will be required to provide evidence of good health (which may include a medical examination at your own expense). CIGNA will be responsible for approval of your coverage. If CIGNA approves your application, your coverage will become effective on the first day of the month following the month CIGNA approved coverage and notified Benefits Administration.

When you enroll, you can elect coverage of one, two or three times your Normal Annual Earnings. This is in addition to the level of coverage WSRC/BSRI provides for you through the Non-Contributory Life Insurance of one times your Normal Annual Earnings.

Proof of Good Health

If you elect Contributory Life Insurance, you may be required to provide evidence of insurability (proof of good health) to CIGNA in the following instances

- You enrolled for coverage after your initial 60-day enrollment period,
- You wish to increase your level of coverage after the initial 60-day enrollment period ends, or
- You again elect coverage after you canceled your coverage.

If you must provide evidence of good health (which may include a medical examination at your own expense), you will be given a questionnaire to complete and return to CIGNA. CIGNA will review the information and advise WSRC/BSRI if your request for coverage or an increase in your coverage has been approved.

You will be asked to designate a beneficiary or beneficiaries for the Non-Contributory portion of the plan, and any Contributory coverage you elect. You may name the same beneficiary(ies) for both plans or a different beneficiary(ies). It's your decision.

Naming a Beneficiary

In addition to completing the *Group Life Insurance Application and Deduction Authorization Form* you will also be asked to complete a *Group Life Insurance Beneficiary Designation Form*. This form designates a person or persons who will receive the value of the Contributory Life Insurance you elected — one, two or three times your Normal Annual Earnings. The person(s) you name is called your beneficiary(ies).

You may designate a primary and a secondary beneficiary(ies). If you designate both primary and secondary beneficiaries, the order of payment at your death will be:

- The value of your life insurance will be divided among your **primary beneficiaries** based on the specified percentage of benefits.
- If no primary beneficiary is living at the time of your death, the value of your life insurance will be divided among your **secondary beneficiaries** based on the specified percentage of benefits.

Your beneficiary can be anyone — your spouse, children, relative, friend, trust, charity or school. If you decide to name more than one person as your beneficiary you must use the word “and” to establish direct ownership. However, if you do not name a beneficiary(ies) or your beneficiary(ies) dies before you, payment will be made to your estate. You may change your beneficiary(ies) at any time by completing a new *Group Life Insurance Beneficiary Designation Form*. The change will be effective on the date the form is received by WSRC/BSRI. Your beneficiary(ies) does not have to approve or authorize the change in beneficiary.

When Coverage Ends

Your eligibility for coverage ends on the last day of the month in which you terminate your employment with WSRC/BSRI, for any reason other than retirement, layoff, or disability or you cease to make required contributions for the coverage.

Your Cost for Coverage

You pay the cost, called premiums, of Contributory Life Insurance coverage through payroll deductions. Depending on your age, the date you began participating in Contributory Life Insurance coverage, and whether you were a former DuPont employee, your premiums will be based on a flat rate or an age related rate for every \$1,000 of coverage.

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If you are a WSRC/BSRI employee and were previously paying a flat rate for your Contributory Life Insurance as of May 1, 1991, and are age 55 or older on October 1, 1994 your premium cost will not be greater than what you are currently paying — \$.60 per \$1,000 of coverage.*

Effective October 1, 1994, if you are a WSRC/BSRI employee less than age 55 and were previously paying a rate of \$.60 per \$1,000 of coverage, you will be moved to the age-related premium schedule. All WSRC/BSRI employees who were previously paying an age related premium will continue to participate at an age related premium.

If you are a former DuPont employee receiving Extended Benefits, you will be eligible to participate in the flat rate program on the expiration of your DuPont coverage if you are age 55 or older.* If you are under age 55 on the expiration of your DuPont coverage, you will be moved to the age-rated program.

The premiums for the age-related program are:

Age Bracket	Employee Age Rate Per \$1,000	Imputed Income Table Amount Per \$1,000
Under 25	.05	.05
25-29	.06	.06
30-34	.08	.08
35-39	.09	.09
40-44	.10	.10
45-49	.15	.15
50-54	.23	.23
55-59	.43	.43
60-64	.66	.66
65-69	1.27	1.27
70+	2.06	2.06

* NOTE: The above rates are reviewed periodically and were updated effective 7/1/02. You will be notified of any changes prior to the effective date of change.

Imputed Income

Under IRS rules, the cost of coverage for Contributory Life Insurance, combined with your Non-Contributory Life Insurance amount, in excess of \$50,000 (less any amount of your premium for Contributory Life Insurance) must be reported to the IRS as ordinary income, along with your other income for the year. The Imputed Income will be taxed at your regular income tax rate. This provision will be applicable for the total life insurance amounts in effect prior to October 1, 1994.

Because of the adjustments to the Contributory Life Insurance program effective October 1, 1994, and based on the elections of the participants, WSRC/BSRI Contributory Life Insurance, in most cases, will result in no Imputed Income reported to the IRS. This will continue as long as the premium contributions for all participants remain below the Table 1 rates established by the IRS. Thus, if any amount of your life insurance coverage is subject to Imputed Income, you will be informed of the amount that will be included on your W-2 as Imputed Income.

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How Benefits Are Paid

You can choose how your beneficiary or beneficiaries will receive your Contributory Life Insurance benefits. When you complete the *Group Life Insurance Beneficiary Designation Form*, you must check a box indicating the “mode of settlement.” You can choose from one of the following payment options:

- One lump sum payment,
- Monthly installments — you decide how many, but the number of installments must be six or more, or
- Another method of your choosing, if approved by WSRC/BSRI Benefits Administration.

If you elect a lump sum payment for your beneficiary, he or she will have the option to have benefits paid in installments. If you have more than one beneficiary, each beneficiary has the option to choose their own payment method. If you elect an installment settlement for your beneficiary, that election cannot be changed after your death, unless your beneficiary can prove a case of extreme financial hardship.

If your beneficiary is a minor or in CIGNA’s opinion is not legally able to accept payments, any payments due will be made to their legal guardian. However, if no payment request is made by a legal guardian, CIGNA may make payments to the person or institution appearing to have custody and support of the beneficiary. In either case, payment will be made in monthly installments of no more than \$500, and the legal guardian, person or institution will be required to show proof that the payments are being held for the sole use of your beneficiary.

Changes in Coverage

Changes in Your Pay

As your pay increases or decreases, the value of your benefit under this plan will change at the same time, since your benefit amount is based on your Normal Annual Earnings.

Any change in the value of your Contributory Life Insurance due to a change in your Normal Annual Earnings will take place on the first day of the month following the month in which your Normal Annual Earnings changed. If you are not actively at work on that day, the change in the value of your Contributory Life Insurance will be effective after you have returned to active service for one day.

You choose how your beneficiary will be paid — in a lump sum or installments. However, your beneficiary can change your election and receive the benefit in installments if you originally chose the lump sum payment method.

Changing Your Benefit Amount

You may increase, decrease, or cancel your Contributory Life Insurance coverage at any time. To do so, you must complete a new *Group Life Insurance Application and Deduction Authorization Form*. If you are increasing your coverage, or if you are again electing coverage after you have canceled it, you will be required to submit evidence of good health to CIGNA (see page 10).

When You Reach Age 65

Once you reach age 65, your Contributory Life Insurance benefit will be periodically reduced to one-half (1/2) of the amount of your Normal Annual Earnings if you are still an active employee or the amount of your Normal Annual Earnings at the time of retirement if you are a retiree.

The reduction process starts on the first day of the month following your 65th birthday, whether or not you are an active employee, and continues for a total of 11 annual reduction installments.

Your post-age 65 insurance amount will always be a multiple of \$100. Therefore, when the annual reduction is calculated and the value of your life insurance benefit is not a multiple of \$100, your Contributory Life Insurance amount will be rounded up to the next higher \$100 multiple. For example, let's say your life insurance is reduced, and the value of your benefit is now \$42,050. Your Contributory Life Insurance benefit amount will be rounded up to \$42,100.

If you remain at work after age 65, your benefit amount and the reduction process will reflect any pay changes you experience.

Coverage Continuation in Special Situations

When you retire, you may elect to increase your Contributory Life Insurance coverage, as long as you had less than the maximum coverage (three times your Normal Annual Earnings) before retirement. If you purchase increased levels of benefits, you must pay the increased premiums for the new coverage, and you will be required to provide evidence of good health to CIGNA. However, as explained earlier, your Contributory Life Insurance benefits are reduced beginning on the first of the month after you reach age 65, whether or not you are an active employee.

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If you are laid off, and you have completed between one and six years of Eligibility Service as of the date of your layoff, your Contributory Life Insurance coverage will continue for one year. If you have seven or more years of Eligibility Service when you are laid off, your coverage will continue for two months for every year of Eligibility Service you earned with WSRC/BSRI, Westinghouse Electric Corporation, Bechtel Group, Inc. or an affiliated entity of one of these corporations. WSRC/BSRI pays the entire cost of this extension of your Contributory Life Insurance. If you return to work before your lay off period coverage ends, you must re-apply for Contributory Life Insurance coverage. To reapply, you must contact Benefits Administration within 60 days of your re-employment.

If you are temporarily disabled, your Contributory Life Insurance coverage will remain in effect as long as you pay your required monthly premiums in advance through payroll deduction or personal check.

If you become totally and permanently disabled, your Contributory Life Insurance coverage will continue:

- If you have **15 or more years of Eligibility Service**, and you retire under the Incapability Pension provision of the WSRC/BSRI Pension Plan, your coverage will continue as long as you pay the premiums. This does not apply if you terminate your employment with WSRC/BSRI with a Deferred Vested Pension.
- If you have **less than 15 years of Eligibility Service**, your coverage will end at the time your employment officially terminates because of your disability. However, your beneficiary would still receive your full life insurance amount if you die within **one year** after your coverage ends, if:
 - you were totally disabled when your coverage was canceled, or
 - you remain disabled until your death.

If you are on an unpaid leave of absence, you will be eligible to continue Contributory Life Insurance coverage, if elected, by paying the required monthly premiums in advance by personal check. Refer to the Work/Life Benefits book for more information on continuing your Contributory Life Insurance coverage during a leave of absence.

If you terminate your employment, for any reasons other than retirement, lay-off, or disability, your Contributory Life Insurance coverage ends on the last day of the month in which your employment ends.



Conversion

If your Contributory Life Insurance coverage terminates or is reduced, for any reason, you may be eligible to convert your coverage to an individual policy. The amount of the Life Insurance that you are entitled to convert is normally the amount of group life insurance you lose, but sometimes it may be less. It will not, however, be more than the smaller of: \$10,000 or the amount of coverage that was terminated or reduced, minus any group insurance amount you become eligible for in the 31 days following the termination or reduction of the WSRC/BSRI Contributory Life Insurance coverage.

Application for an individual policy must be made to Connecticut General Life Insurance Company (a CIGNA company) within 31 days from the date your Contributory Life Insurance coverage was terminated or reduced. Your first premium payment must be made during the 31-day period. The cost depends on your age and the type of coverage you elect. CIGNA may limit the policy options from which you can choose and will not include term insurance or disability benefits. Your converted life policy will take effect on the 32nd day after your coverage is terminated or reduced.

If you die during the 31 days in which you may convert to an individual policy, CIGNA will pay the amount you could have converted to your named beneficiary(ies), whether or not you applied for an individual policy or paid your first premium.

For more information, contact CIGNA's Customer Service Unit at 516-854-3278.

Dependent Life Insurance

How the Plan Works

Dependent Life Insurance is a contributory benefit. This means you must elect to purchase the coverage.

If you purchase Dependent Life Insurance, you receive benefits if any of your dependents die from an accident or illness. Your dependents include your spouse, and your eligible children (see page 19).

If you elect this coverage, **all** your eligible dependents are covered for the same cost (see page 19). This means your spouse and all children, if any, and it doesn't matter how many children you have. This also means all your "children" are covered for the same amount of insurance if you elect to purchase Dependent Life Insurance.

Benefit Amount

When you complete the *Group Life Insurance Application and Deduction Authorization Form*, you will be asked to elect the level of coverage you want for your spouse and children (if applicable):

- Level 1 — Your spouse is insured for \$5,000 coverage and each eligible child is insured for \$1,000 coverage, or
- Level 2 — Your spouse is insured for \$10,000 coverage and each eligible child is insured for \$2,000 coverage.

Participating in Dependent Life Insurance

Eligibility

If you are a full service employee of WSRC/BSRI or a DuPont retire/rehire, you are eligible to enroll in Dependent Life Insurance coverage on your first day of employment.

Enrolling for Coverage

Participation in this coverage is voluntary. On your first day of employment you will be asked to complete a *Group Life Insurance Application and Deduction Authorization Form*. If you return the form within 60 days, coverage for your dependents will begin on the first day of the month following the month you submitted the form to Benefits Administration. **Even if you return your form on the first day of the month, your coverage will not begin until the first day of the following month.**

You must be actively at work for your coverage to become effective. If you are not at work when your coverage should have been effective, it will become effective the day you return to work.

If both you and your spouse are employed by WSRC/BSRI and eligible for this coverage, both of you may enroll and cover the same dependents and each other.

If you do not enroll your eligible dependents within the 60-day period, you may do so at a later date. However, you will be required to provide evidence of good health for each of your eligible dependents (which may include a medical examination at your expense). CIGNA will be responsible for approval of coverage for your dependents. If CIGNA approves the application for your dependents, their coverage will become effective on the first day of the month following the month CIGNA approved coverage and notified Benefits Administration.

If you do not have any dependents at the time of your employment, you may enroll your spouse and/or children for Dependent Life Insurance during the 60-day period immediately following the date of your family status change without evidence of good health. Otherwise, you will be required to provide evidence of good health for each of your eligible dependents (which may include a medical examination at your own expense).

Proof of Good Health

If you elect Dependent Life Insurance, you may be required to provide evidence of insurability (proof of good health) to CIGNA when:

- You decide to enroll your dependents for coverage after your initial 60-day enrollment period,
- You want to increase the level of the Dependent Life Insurance coverage, or
- You again elect coverage for your dependent(s) after you canceled dependent coverage.

If you must provide evidence of good health, (which may include a medical examination at your own expense) you will be given a questionnaire to complete and return to CIGNA. CIGNA will review the information and advise WSRC/BSRI if your request for coverage, or an increase in coverage, for your dependents has been approved.

Eligible Dependents

Your eligible dependents are your lawful spouse, your unmarried children under age 25 who are principally dependent on you for support and are not employed on a full-time basis. For purposes of the Dependent Life Insurance plan, “children” include:

- Your own children and legally adopted children,
- Stepchildren who principally reside in your household,
- Children supported solely by you, and
 - permanently residing in your household under a regular parent/child relationship, or
 - for whom you are appointed the legal guardian; or
- Children you are required to provide medical coverage for under a divorce court order.

A child who is “principally dependent on you for support” is a child who:

- Resides with you or is a full-time student living at school, and
- Is claimed as a dependent on your federal income tax return.

Naming a Beneficiary

You are automatically the beneficiary of your dependent’s life insurance coverage. In the event of the death of your spouse or any child (if applicable), you will receive the value of their insurance benefit.

When Coverage Ends

Your dependent’s eligibility for coverage ends on the last day of the month in which you: (1) terminate your employment with WSRC/BSRI, or (2) you did not make the required contribution for coverage.

Your Cost for Coverage

Your cost is based on the level of coverage you choose. Your cost is **not** affected by your pay, your age, the age of your spouse, or the number of children you have. One “price tag” covers all your dependents. The Dependent Life Insurance coverage rates are:

- Level 1 - \$0.75 per month
- Level 2 - \$1.50 per month

NOTE: The above rates are reviewed periodically. You will be notified of any changes prior to the effective date of the change.

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How Benefits Are Paid

In the event of the death of your spouse or an eligible child, you will receive the value of their Dependent Life Insurance benefit as a lump sum payment.

If you die before your dependent(s), any benefits payable for the loss of your dependent's life will be paid to the executor or administrator of your dependent's estate.

Changing Benefit Amounts

You may increase, decrease, or cancel your Dependent Life Insurance coverage at any time. To do so, you must complete a new *Group Life Insurance Application and Deduction Authorization Form*. If you are increasing the level of coverage for your dependents, or if you are again electing coverage for them after you canceled it, you may be required to submit evidence of their good health to CIGNA (see page 18).

Coverage Continuation in Special Situations

If you retire, are laid off or terminate your employment, with WSRC/BSRI, your Dependent Life Insurance ends on the last day of the month in which you are no longer a full service employee.

If you become disabled, your Dependent Life Insurance ends on the last day of the month prior to your Total and Permanent Disability Benefits beginning. However, Dependent Life Insurance can be converted to an individual policy by contacting CIGNA.

If you are on an unpaid leave of absence, you will be eligible to continue Dependent Life Insurance coverage, if elected, by paying the required monthly premiums in advance by personal check. Refer to the Work/Life Benefits book for more information on continuing your Dependent Life Insurance coverage during a leave of absence.



Conversion

If your Dependent Life Insurance coverage terminates, for any reason (except when you elect to discontinue coverage), your dependents may be eligible to convert their coverage to individual policies. Application for an individual policy must be made to CIGNA within 31 days from the date their Dependent Life Insurance coverage was terminated. The individual policy will be in an amount not greater than the amount of life insurance the dependent had under this plan at the time the coverage ceased. If your dependents elect to convert their coverage, they will be responsible for the premiums. The first premium payment must be made during the 31-day period following the day coverage was terminated. The cost of coverage depends on the type of coverage they elect. CIGNA may limit the policy options from which you can choose but will not include Disability or Accidental Death benefits. Any converted individual life insurance coverage will become effective at the end of the 31-day period.

For more information, contact CIGNA's Customer Service Unit at 516-854-3278.

Accidental Death and Dismemberment (AD&D) Insurance

How the Plan Works

AD&D coverage is a Contributory benefit. This means you must elect to purchase the coverage.

If you purchase the employee option of AD&D coverage, your designated beneficiary will receive benefits if you die within 90 days of an accident. You are the beneficiary if you suffer any of the permanent losses covered under the plan.

If you purchase the family option of AD&D coverage, you receive benefits if an eligible family member dies within 90 days of an accident or suffers any of the permanent losses covered under the plan.

There are various increments of coverage you can purchase for yourself and/or your family members. And as with Dependent Life Insurance, if you elect AD&D family coverage, **all** your eligible dependents are covered for one cost (based on the level of coverage you purchase). This means your spouse and all children, if any, and it doesn't matter how many children you have.

Benefit Amount

You must be actively at work for your coverage to become effective. If you are not at work when your coverage should have been effective, it will become effective the day you return to work.

When you complete the *Group Life Insurance Application and Deduction Authorization Form*, you will be asked to elect the level of coverage you want for yourself and/or your family. If you choose coverage for yourself, your level of coverage can be purchased in increments of \$10,000 up to a **maximum of five times your Normal Annual Earnings**, rounded up to the next higher multiple of \$10,000. Your coverage amount cannot exceed \$250,000.

If you choose family coverage, you can purchase AD&D Insurance coverage in increments of \$10,000 up to a maximum of \$100,000.

If you purchase coverage for your spouse, your children are automatically covered in multiples of \$2,000 each, up to a maximum benefit of \$20,000. Your children's coverage is based on the level of coverage you elected for your spouse. You may elect coverage for dependent children with no spouse.

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For example, if you purchase \$10,000 worth of coverage for your spouse (referred to as 1 Unit on the Group Life Insurance Application and Deduction Authorization Form), each eligible child will be covered at \$2,000. If you purchase \$30,000 worth of coverage for your spouse (referred to as 3 Units on the *Group Life Insurance Application and Deduction Authorization Form*), each eligible child will be covered at \$6,000 (\$2,000 x 3).

Exclusions

No benefit will be paid for losses resulting from or caused directly or indirectly by:

- Sickness, disease, bodily infirmity or bacterial or viral infection, even if contracted by an accident,
- Suicide or self-inflicted injury while sane or insane,
- War or act of war (declared or undeclared), or
- Insurrection or rebellion.

Death must occur within 90 days of an accident and AD&D coverage must be in effect prior to the accident.

Participating in AD&D Insurance Eligibility

If you are a full service employee of WSRC/BSRI or a DuPont retire/rehire, you are eligible to enroll in Accidental Death and Dismemberment (AD&D) Insurance coverage on your first day of employment. Coverage is effective the first day of the following month.

If both you and your spouse are employed by WSRC/BSRI and eligible for this coverage, both of you may enroll and cover the same dependents and each other.

Enrolling for Coverage

Participation in this coverage is voluntary. When you enroll, you may elect AD&D coverage for yourself, and/or your family. You can purchase different levels of coverage, depending on how much AD&D protection you want.

To enroll yourself and/or your eligible family members, you must complete a *Group Life Insurance Application and Deduction Authorization Form*. Your coverage will begin on the first day of the month following the month you submitted the form to Benefits Administration. **Even if you return your form on the first day of the month, your coverage will not begin until the first day of the following month.**

Eligible Dependents

Your eligible dependents are your lawful spouse, your unmarried children under age 25 who are principally dependent on you for support and are not employed on a full-time basis. For purposes of the AD&D Insurance Plan, “children” include:

- Your own children and legally adopted children,
- Stepchildren who principally reside in your household,
- Children supported solely by you, and
 - permanently residing in your household under a regular parent/child relationship, or
 - for whom you are appointed the legal guardian; or
- Children you are required to provide medical coverage for under a divorce court order.

A child who is “principally dependent on you for support” is a child who:

- Resides with you or is a full-time student living at school, and
- Is claimed as a dependent on your federal income tax return.

Naming a Beneficiary

You are automatically the beneficiary of your dependent's AD&D coverage. In the event of the death of your spouse or any child (if applicable) or any covered dismemberment of your spouse or any applicable child, you will receive the value of their insurance benefit.

You must use the *Group Life Insurance Beneficiary Designation Form* to **name your beneficiary or beneficiaries under the plan**. This form designates a person or persons who will receive the value of your AD&D Insurance. The person(s) you name is called your beneficiary(ies).

You may designate a primary and a secondary beneficiary(ies). If you designate both primary and secondary beneficiaries, the order of payment at your death will be:

- The value of your AD&D Insurance will be divided among your **primary beneficiaries** based on the specified percentage of benefits.
- If no primary beneficiary is living at the time of your death, the value of your AD&D Insurance will be divided among your **secondary beneficiaries**, based on the specified percentage of benefits.

Your beneficiary can be anyone — your spouse, children, relative, friend, trust, charity or school. If you decide to name more than one person as your beneficiary, you must use the word “and” to establish direct ownership. However, if you do not specify a beneficiary for your AD&D coverage, any benefits will be paid to the beneficiary you designated for your Non-Contributory Life Insurance.

When Coverage Ends

You and your dependents' eligibility for coverage ends on the last day of the month in which you terminate your employment with WSRC/BSRI, or you cease to make the required contribution.

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Your Cost for Coverage

Your cost will be based on the level of coverage you choose. Your cost will **not** be affected by your pay, your age, the age of your spouse, or the number of children you have. The cost for employee coverage is \$.42 per month for each \$10,000 of coverage you purchase. The cost for family coverage is another \$.42 per month for each \$10,000 of coverage you purchase for your spouse. Coverage for your children is included with your spouse's coverage at no additional cost. NOTE: The above rates are reviewed periodically. You will be notified of any changes prior to the effective date of the change.

How Benefits Are Paid

The amount of coverage you elect (for yourself and/or your family) is known as the "principal sum." That's the amount paid to the appropriate beneficiary in the event of an accidental death.

A percentage of the "Principal Sum" is paid out in the event of dismemberment, loss of use of a limb or limbs, or total and permanent loss of vision (due to an accident). The death or loss must occur within 90 days of the accident that occurred while you were insured. In addition, the death or loss must be the direct result of the accident. The benefit amounts are:

If You Lose	This amount of the Principal sum is paid
Your Life	100%
Two or more hands/feet, or the permanent sight of both eyes	100%
A hand, foot, or the permanent sight of one eye	50%
The loss of your hand must be a severance above your wrist; the loss of your foot must be a severance above your ankle	

The value of the AD&D benefit will be paid to the appropriate beneficiary or beneficiaries as a lump sum payment.

If you are not living when dismemberment benefits for a dependent become payable, the benefit payment will either be paid to your dependent who sustained the loss or to any of your relatives — spouse, mother, father, child or children, brothers or sisters. CIGNA will determine the recipient.

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Changing Your Benefit Amounts

You may increase (or decrease) your AD&D coverage (but not above the maximum for which you are eligible) at any time. Your change will become effective on the first of the month following the date you submit a new *Group Life Insurance Application and Deduction Authorization Form* requesting an increase in your coverage.

You may terminate your coverage at any time. Coverage will terminate on the last day of the month in which you request termination in writing.

Coverage Continuation in Special Situations

If you retire, are laid off or terminate your employment, with WSRC/BSRI, your AD&D Insurance ends on the last day of the month in which you are no longer a full service employee.

If you become disabled, your AD&D Insurance ends on the last day of the month prior to your Total And Permanent Disability Benefits beginning.

If you are on an unpaid leave of absence, you will be eligible to continue your AD&D Insurance coverage, if elected, by paying the required monthly premiums in advance by personal check. Refer to the Work/Life Benefits book for more information on continuing your AD&D Insurance coverage during a leave of absence.

Conversion

There are no conversion privileges.

Claims Filing

A proof of claim, for all coverages, must be filed within 180 days after the loss for which a claim is made, unless it is not reasonable or possible to do so, and proof is filed as soon as it is reasonably possible.

Benefits Administration will contact your beneficiary in the event of your death, and help him or her apply for benefits. In the event of the death of a covered dependent, you should contact Benefits Administration to file for benefits.

The Appeal Process

If a claim for benefits is denied in whole or in part, you will receive a written notice within 90 days.

You have a right to appeal any denied claim. To appeal, you must send written notice to the Plan Administrator. For more information, please refer to the General Information book.

Glossary of Helpful Terms

Normal Annual Earnings

Includes your annual wages or earnings before any reduction for before-tax savings. Normal Annual Earnings excludes occasional overtime or temporary variations from normal working hours, awards under incentive or special compensation plans, Choice Credits and payments for relocation or severance.

Eligibility Service

If you are laid off, your amount of service determines the length of your extended Non-Contributory Life Insurance and Contributory Life Insurance coverage. This includes service with Westinghouse Electric Corporation, Bechtel Group, Inc. and affiliated entities of these corporations.

ERISA Information

As a participant in WSRC/BSRI's benefits program, you are entitled to certain rights and protection under the Employee Retirement Income Security Act of 1974 (ERISA). The official plan documents which govern the Life Insurance Plan dictate the actual operation of the plan and the payment of benefits. For more information on your ERISA rights and administration of the plan, refer to the General Information book.



